

**Minutes of the
Michigan State Waterways Commission
October 26, 2012**

Approved December 7, 2012

The regular meeting of the Michigan State Waterways Commission (Commission) was called to order by Chairperson Gary Marowske at 9:00 a.m. on Friday, October 26, 2012, at the Boulevard Inn, Parkview West Room, 521 Lake Boulevard, St. Joseph, Michigan 49085. The following Commissioners were present:

Commissioner Gary Marowske, Chairperson
Commissioner Van Snider, Vice-Chairperson
Commissioner Al Declercq, Secretary
Commissioner James Hansen
Commissioner Dennis Grinold
Commissioner Dennis Nickels
Commissioner Ward Walstrom
Special Consultant R.J. Peterson

The Department of Natural Resources (DNR), Parks and Recreation Division (PRD), Liaisons were present.

Chair Marowske introduced the three new commissioners Dennis Grinold, Dennis Nickels and Ward Walstrom, and special consultant R.J. Peterson.

I. PUBLIC APPEARANCE

A. Written Correspondence

Chair Marowske referenced Thomas H. Butler's letter recognizing the staff at the Port Austin State Harbor and what a great job they did during his visit this past August.

B. Appearances (Non-agenda items)

Mr. James Sarna, seasonal slip holder in Clinch Marina and resident of Brighton, Michigan, addressed the Commission. Mr. Sarna stated that he attended a special meeting of the City Commission of the City of Traverse City on October 22, 2012. He proceeded to present his letter regarding parking at Clinch Marina during the Cherry Festival. He expressed his frustration with the use of the marina parking lot.

Chair Marowske thanked Mr. Sarna for his comments and told him that any revenue violations would be investigated.

II. ACTION ITEMS

A. Approval of the August 24, 2012 Meeting Minutes

MOTION: Commissioner Hansen moved to approve the August 24 Minutes of the Michigan State Waterways Commission. The motion was seconded by Commissioner Declercq and it carried unanimously.

B. Approval of Certificate of Recognition for Commissioners Bryanton and Hertel; Resolution No. 10-2012-01 and 10-2012-02

MOTION: Commissioner Snider moved to approve Resolution No. 10-2012-01 and 10-2012-02 as presented. The motion was seconded by Commissioner Hansen and it carried unanimously.

Proposed Amendment to the Commission's Rules and Regulations

Commissioner Snider proposed to amend Article 1. Officers of the Michigan State Waterways Commission's Rules and Regulations adopted December 8, 2000, and amended on April 20, 2012, which currently states:

"The terms of all offices shall be for one year and no members shall be permitted to hold the same office for consecutive years."

Amend the last sentence of Article 1. Officers by striking the word "no," adding the word "one" and changing the word "years" to year, to indicate members can hold the same office for two years.

There was discussion regarding the language and a suggestion was made to amend the motion as follows:

"The terms of all offices shall be for one year and members shall be permitted to hold the same office for one additional consecutive year."

MOTION: Commissioner Grinold moved to approve the motion as amended. The motion was seconded by Commissioner Hansen and it carried unanimously.

Mr. Carl Meyer of Benton Harbor, Michigan, asked to address the Commission. Mr. Meyer spoke of an existing permit, issued March 2008 and expires March 2013, for dredging in the St. Joseph River. He also referenced an existing grant with Berrien County that is going to expire. They would like the committee to extend this grant and also the permit within the St. Joseph River. They are at record low levels of water for boating in their community and if they don't get rain or do some dredging, it's going to hurt boating in their recreational area.

Chair Marowske stated that we are all well aware of the dredging issues and asked Mr. Bill Boik to respond. Mr. Boik stated that the DNR and County have been in contact regarding extending the grant. The permit itself is issued by the Department of Environmental Quality (DEQ). Comments regarding the revised plans were submitted to the County in 2009 and the DNR is awaiting a response. The DNR has sent several letters, made a phone call, and will follow up with another phone call.

C. Approval of 2013 Transient and Seasonal Boating Rates; Resolution No. 10-2012-03

Mr. Jason Fleming explained that the DNR is in the process of the third year of reviewing transient and seasonal rate structures. He presented a PowerPoint and discussed how the rates are determined. Historically the DNR has set the rates for the community. For the past two years, the DNR has allowed communities to adjust their rates along a greater spectrum of fees. The state is also reverting back to the slip size for transient and seasonal vessels beginning in the 2014 season.

Much discussion followed, including transient rates and why rate discrepancy is relevant. Mr. Fleming explained it was to have consistency. The commissioners also asked for data regarding measured electrical use by slip size (by month). Mr. Fleming will check with the Cheboygan Field Office regarding this request and will report back at the next meeting.

MOTION: Commissioner Snider moved to approve Resolution No. 10-2012-03. The motion was seconded by Commissioner Hansen and it carried unanimously.

III. OLD BUSINESS (Information Items)

A. Committee Reports

Chair Marowske gave a brief overview the Finance, Marketing, Facilities, and Revenue Enhancement Subcommittees. He stated that the Commission needs to work on revenue enhancement, not just raising rates. Boater registration fees have not been raised in Michigan since 1993.

Chair Marowske referenced the free boating magazines provided by Commissioner Walstrom.

B. Operations Update

Mr. Fleming commented that the snowmobile and off-road vehicle (ORV) grant programs have been adopted by the Parks and Recreation Division. He commented that these user fee programs are experiencing financial problems similar to waterways. He recently attended the annual snowmobile grant program kickoff meetings and met with grant sponsors. He felt it was a very positive experience and is thinking of holding similar meetings with the local waterways communities and staff, and invites the involvement of the Commission.

C. Financial Update

Ms. Jackie Blodgett provided a financial update for waterways including an overview of the FY13 Revenue and Appropriations, Watercraft Registration and Gas Tax Distribution Flowchart FY13 Projected, and Grant-In-Aid.

There was discussion regarding the gas tax formula, including a comparison to the Snowmobile/ORV programs. It was reported that boater registrations were up slightly, as were fuel sales. Overall, the year is closing with a \$3 million fund balance.

Chair Marowske commented that dredging is becoming a critical area. He asked if the Commission had authority to put projects on hold and apply funds to dredging. Chief Olson responded that it was certainly something we could look into; grant-in-aid projects would be an issue. Ms. Vicki Anthes addressed the Commission and stated that line-item projects have already been approved by legislature, and that any changes to the use of funding would require another legislative review and approval. This process can be time consuming.

A few members of the public addressed the Commission and stated how important dredging is to St. Joseph, including a member of the steelhead fishing community.

Ms. Kathy Meyers, private marina owner, commented that she was surprised to learn that 2% of the gas sales tax is going to public marinas. She asked if private marinas are able to receive any of that money. Chief Olson responded that the 2% of gas sales tax is for public marinas and operations, although private marinas may benefit from dredging and waterways law enforcement.

Commissioner Snider asked if funds were available for a research project of the 2% gas tax. Chief Olson responded yes, as long as it is associated with waterways and boating entities. Commissioner Snider then asked if the DNR has used any of these funds for a survey. Mr. Fleming responded that yes, federal funds have been used for surveys.

Commissioner Grinold commented, in reference to launch sites, that the federal Sport Fish Restoration Fund helps support boating access. Mr. Petersen responded that state pays for the access site development projects upfront and then receives a 75% reimbursement from the federal government.

Ms. Blodgett spoke of the Grant-in-Aid as of September 30, 2012. Commissioner Hansen asked for the percentage of defaults. Ms. Blodgett and Ms. Anthes replied that occasionally communities have a change of heart or are unable to match funds. In those cases, the grants are cancelled and the communities are asked to reapply.

D. Project Status Update

Mr. Jordan Byelich presented a PowerPoint on project updates occurring at the following state facility locations:

Port Austin State Harbor, De Tour State Harbor, Selfridge Boating Access Site (BAS), Orchard Lake BAS, Grindstone City BAS, Lake Fenton BAS, Nepessing Lake BAS, and Bolles Harbor BAS

Mr. Byelich provided updates on state harbor projects in the study phase, including the East Tawas State Harbor Assessment Study and the State Harbor Infrastructure Study. The State Harbor Infrastructure Study is currently in the scope development stage with the facility assessment occurring in 2013. Chair Marowske asked Mr. Byelich to include the Facilities Subcommittee as the study progresses.

Mr. Byelich also provided updates on state BAS projects in the design phase, including Maple Bay State Forest Campground BAS and White Lake BAS.

Mr. Petersen gave a brief update on the following projects:

LeLand Township Harbor

Commissioner Snider commented that he and his wife visited this facility over the summer and complimented the community on the work done; there were a lot of happy fishermen too.

Northport Marina, John Gurney Park BAS, and Stafford County Park BAS

Mr. Byelich reported that the DNR submitted an Outstanding Project Award nomination to the States Organization for Boating Access (SOBA) for the Crystal Lake BAS project. The project won under the Large Access category and the award was presented at the national SOBA Conference this past September in Mobile, AL.

E. East Tawas State Harbor

Mr. Greg Weykamp, Edgewater Resources, LLC, presented a PowerPoint regarding the East Tawas State Harbor Study. The presentation included the in-depth process of the study including marketing, condition assessment, and public input.

Mr. Weykamp thanked the Commission and staff for all that they do for boaters in St. Joseph and around the state.

F. Harbor Video Conference Summary

Mr. Petersen reported that 52 participants, including 12 grant-in-aid communities, attended the conference. He has received 41 Survey Monkey responses to date, and will forward facilitated notes soon. A taped version of the presentation is also available.

G. Harbor Guide Status

Mr. Bill Boik distributed a mock-up of the harbor guide. There is no cost to consumers, as the guide is funded by a federal grant (Sport Fish Restoration Fund). It will be available on the web, in electronic format, at the first of the year.

H. Letter to Mackinac Island Ferry Owners

The subject letters were mailed at the request of Commissioner Declercq.

I. Reservation System Changes

Mr. Herald Herta gave background information regarding the system, and reported that there is a signed contract. He stated that the new system will give more flexibility and will go into effect November 1, 2013. This time frame allows the DNR over a year to work out/test it.

He also reported that harbor masters will be provided with a menu of options/functions late summer.

Commissioner Nickels commented that end users of this system were very important. Mr. Herta replied that they (state harbormasters) have been involved throughout the process.

One of the features of the new system will be that local events, occurring during the customer's visit, can be added. A trigger email about changes, etc. can be added, even after reservation has been made.

Items 1-4, *Out of State Boats, Power Requirements, Check Out/In, and No Show/Cancellation Policy*, will be addressed at the upcoming subcommittee meetings.

J. "Great Lake Ports 'o Call" DVD Presentation

Mr. Tom Durant, Great Lakes PBS, was introduced. Mr. Durant gave an overview of the award winning travelogue series which highlights ports of interest around the Great Lakes (handout available). The video series is produced by Video Images, Inc., and there are 40 episodes. The first five minutes of the South Haven video were presented (1 of 6 in the series).

Mr. Durant is seeking funding to get these shows back on the air, which would require that they be digitally transferred. He hopes that the Commission can open a door with the state, perhaps a grant. Pure Michigan is not interested and State Farm agreed to sponsor but not until March. Mr. Durant would like to have the shows on-air as soon as possible. The hope is that if these do well, it would lead to new productions.

The Commission thanked Mr. Durant for his presentation.

Chair Marowske stated that Commissioner Nickels had a special guest he would like to recognize. Commissioner Nickels proceeded to introduce **Mr. Wally Johnson, Vice Commodore, for southern Lake Michigan, of the Great Lakes Cruising Club (GLCC)**, and asked him if he would like to say a few words

Mr. Johnson reported that the GLCC had approximately 1,700 dues paying members, most of whom are professional cruisers. The GLCC has a yearly rendezvous, which normally brings in 100 to 150 boats; about 300 people. He referenced the cruising guide put together by the GLCC, which includes a lot of detail regarding the harbors. Commissioner Nickels would like to encourage local communities to reach out to Port Captains, and utilize and promote what is available.

IV. EMERGING ISSUES

A. Energy Issues

Commissioner Declercq is concerned that we have been too casual about water levels. A contingency plan needs to put in place.

V. NEW BUSINESS (Information Items)

A. Dredging Information

Dredging will be further addressed through subcommittees.

B. Mackinac Island Mooring Buoys

Information distributed by Chief Olson and will be discussed at the next subcommittee meeting.

C. Committee Assignments

Committee Assignments were previously distributed to the Commissioners.

The meeting was adjourned at 12:00.

The next Waterways Commission meeting is scheduled for Friday, December 7, 2012 in the Lansing area.